

Nos. 77-1518, 77-2212
IN THE
United States Court of Appeals
FOR THE NINTH CIRCUIT

UNIVERSAL CITY STUDIOS, INC., a corporation,
Plaintiff and Appellee,

vs.

RKO GENERAL, INC., a corporation, DINO DE LAUREN-
TIS CORPORATION, a corporation, and RICHARD
COOPER,
Defendants and Appellants.

RKO GENERAL, INC., a corporation,
Counterclaimant and Appellant,

vs.

UNIVERSAL CITY STUDIOS, INC., a corporation,
Counterdefendant and Appellee.

On Appeal From the United States District Court for the
Central District of California.

Appellee Universal City Studios, Inc.'s
Responding Brief.

Plaintiff, Counterdefendant and Appellee Universal
City Studios, Inc. ("Universal") respectfully submits
its responding brief in Case No. 77-1518 and Case
No. 77-2212.

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man's mere reviewing of the Motion Picture before creating his own screenplay does not constitute an act of infringement. *Grove Press, Inc. v. Collectors Publication, Inc.*, 264 F. Supp. 603 (C.D. Cal. 1967); and see, *Fuld v. National Broadcasting Company, Inc.*, 390 F. Supp. 877, 882, n.4 (S.D.N.Y. 1975).

2. Counterclaim — Count II — Unfair Competition.

RKO contends that even if the Novel and Serializations are in the public domain, Universal is guilty of unfair competition because it used the title "King Kong," and the character and goodwill of King Kong in certain trade advertisements and press releases announcing its forthcoming motion picture [RKO O.B. 40]. RKO cannot recover on this theory because: (a) it does not have exclusive ownership and right to use of "King Kong"; (b) California law does not grant relief for unfair competition in absence of a likelihood of public confusion, which RKO has failed to prove; (c) damages may not be recovered based on California's "anti-dilution" statute (California Business and Professions Code, § 14330); and (d) RKO has not been damaged by any of the actions of Universal.

a. The Name, Title and Character of "King Kong" Are in the Public Domain.

If the Court finds the Novel and the Serializations are in the public domain, then the name, title and character of "King Kong" are also in the public domain, and anyone has a legal right to make a motion picture entitled "King Kong." *Walt Disney Productions v. Souvaine Selective Pictures*, 98 F. Supp. 774 (S.D. N.Y. 1951), *aff'd*, 192 F.2d 856 (2d Cir. 1951) (Held: anyone has a legal right to make a picture based on Lewis Carroll's book (which itself is in the

public domain) and entitle it "Alice In Wonderland"). Accord: *McCaleb v. Fox Film Corp.*, 299 F. 48 (5th Cir. 1924).

Thus, once a property is declared to be in the public domain, subsequent users of that literary property have the right to identify it by the name that was used to identify it when it was protected.

b. Under California Law RKO Cannot Prevail on a Claim of Unfair Competition Without Showing the Likelihood of Public Confusion.

A showing of likelihood of public confusion is essential to an award of relief for service mark infringement or unfair competition in California, *Coffee Darts, Inc. v. Coffe Don's Charcoal Broiler*, 305 F. Supp. 1210, 1213 (N.D. Cal. 1969). RKO made no such showing in this case and its feeble attempt to show public confusion by the testimony of one witness, Universal's Vice President in Charge of Sales, Henry Martin, was a totally insufficient offer of proof. Whether one particular witness was or was not confused does not prove public confusion. *DeCosta v. Columbia Broadcasting System, Inc.*, 520 F.2d 499, 514 (1st Cir. 1975).

c. California Law Does Not Permit a Damage Recovery Under a Dilution Theory.

California law does not recognize a "trademark dilution" theory of recovery in unfair competition actions except under California Business and Professions Code § 14330. However, that section has been interpreted to permit a plaintiff only injunctive relief and not damage relief. *Dawn v. Sterling Drug, Inc.*, 319 F. Supp. 358, 363 (C.D. Cal. 1970).

d. RKO Has Suffered No Damages.

RKO virtually admits that it has suffered no actual damages as a result of Universal's conduct [RKO O.B. 39]. Undaunted by that simple fact, it seeks to have

this Court impose massive punitive damages which have no relationship to actual damages [RKO O.B. 45-47]. Such a request completely ignores the long established rule in this jurisdiction that the imposition of punitive damages must be based on a finding of actual damages. *Mother Cobb's Chicken Turnovers v. Fox*, 10 Cal.2d 203, 73 P.2d 1180 (1937).

Conclusion.

For the reasons set forth above Appellee Universal urges that this Court affirm each of the judgments appealed from.

Respectfully submitted,

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